PLAN ADMINISTRATOR
bulletin...
ABA Retirement Funds™
SPRING 2010

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Safe Harbor Finalized for Timely Remittance of Small Plan Participant Contributions

As part of its efforts to reduce the incidence of delinquent deposits of employee contributions to small retirement plans, the U.S. Department of Labor adopted a regulation, effective January 14, 2010, establishing an optional safe harbor that defines "timely" remittance of contributions for employee benefit plans with fewer than 100 participants at the beginning of the plan year.

The regulation specifically covers amounts that an employer withholds from a participant's salary in order to contribute to a plan—that is, elective contributions to 401(k) plans, SIMPLE IRAs and SEPS funded by salary reductions, as well as participant loan repayments.

In general, participant contributions must be remitted to the plan by the earliest date when they can reasonably be separated from the employer's assets. For qualified retirement plans, this date cannot be later than the 15th business day of the month after the month in which the employer withholds a participant contribution or loan repayment from the participant's salary. The new safe harbor established by the regulation allows plans with fewer than 100 participants at the beginning of the plan year to treat contributions remitted by the seventh business day after they become payable as being made "timely" even if it was administratively feasible to deposit these amounts earlier.

The regulation does not apply to plans with 100 or more participants at the beginning of the plan year.

TIMELY REMITTANCE GUIDELINES

Plans with fewer than 100 participants: no later than seven business days following the day on which amounts were withheld from the participant's salary.

Plans with 100 or more participants: no later than 15 business days following the month in which amounts were withheld from the participant's salary. **This is not a safe harbor and participant contributions and loan repayments must be remitted as soon as they can reasonably be separated from the employer's assets.**

Last Chance!

If you haven't already, you need to amend your plan by April 30, 2010 to comply with the terms of the Economic Growth and Tax Relief Reconciliation Act, commonly referred to as EGTRRA. A few plans, like those which do not use the Program's prototype plan document, might have different deadlines but, for all prototype clients, now is the time to be sure you have taken all necessary steps. We have sent updated documents to all clients that use the Program's document and asked for them to be signed. We have also sent postcards and letters to remind everyone of this very important deadline. If you haven't restated yet or aren't sure - ACT NOW!! Call the Plan Administrator Line if you need another copy of the documents or want to confirm your restatement is complete. Once you have the documents at hand, SIGN THEM AND RETURN THEM. Failure to timely execute your plan's Adoption Agreement could jeopardize its tax qualification and/or result in distribution and taxation of the plan's assets.

ABA Defending Liberty Pursuing Justice

Administration Made Easier: Payroll/Administration through Sponsor Connect

In every issue, we examine some common situations that may cause errors in a normally smooth day for a plan administrator. We want to make it easier for you to administer your plan! **This quarter, we'll discuss how you can streamline your daily administration using Sponsor Connect's Payroll/Administration feature*.**

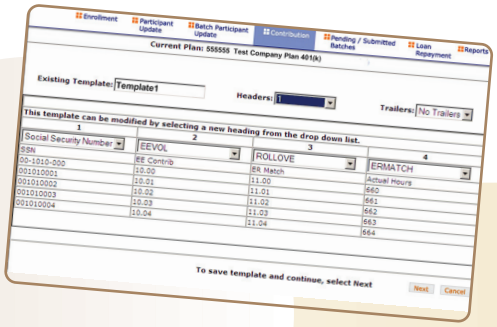
*To receive a Sponsor Connect ID that includes Payroll/Administration, you must be a signatory on your firm's bank account.

Payroll/Administration:

Allows you to manage your plan and fund contributions — all electronically. Say goodbye to paper forms and checks! You can update participant demographic data, enroll new participants, and process contributions and loan repayments.

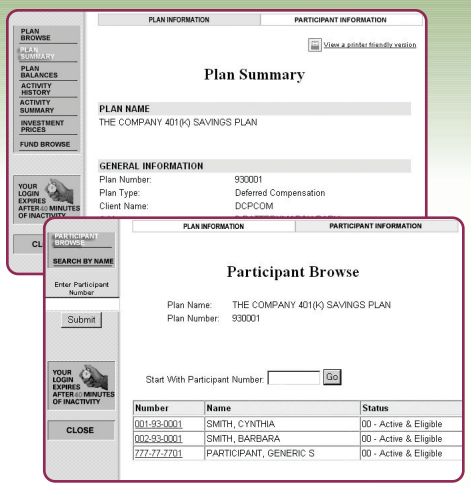
Payroll/Administration automates regular tasks. You don't have to spend time filling out repetitive data on paper forms. Just copy your previous batch transaction, make any updates to contribution amounts or contribution sources, and send it electronically.

It's secure. We use the highest industry-level password protocols and firewall protection to safeguard your contributions and data.



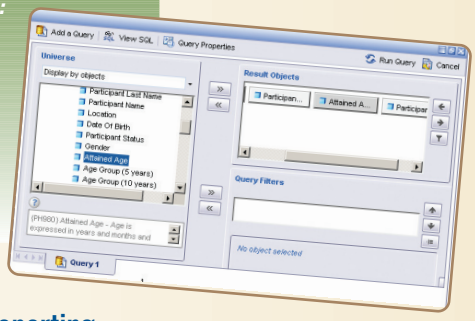
It's convenient. You can save your work and return to it later. Plan data received by the Program by 4:00 p.m. Eastern Time on a business day is posted the same day. Data received after 4:00 p.m. Eastern Time will be posted the next business day. You submit your plan's contributions online, and we collect it electronically via ACH from your plan's bank account—saving you time, postage, and the unnecessary worry about misdirected mail. We'll send you confirmation reports in the mail for your records.

In addition to Payroll/Administration, Sponsor Connect offers you additional, useful functionality to save you time, effort, and unnecessary errors when managing the day-to-day operations of your plan:



Plan Access:

Use this informational tool to get up-to-date details on your participants or your plan(s). *Plan Inquiry* let's you view summary plan-level data like balances, investment options, daily unit values and fund information. *Participant Inquiry* lets you browse by last name or social security number to check individual summary information, investment elections, balances, loan information, repayment history, and account transactions including distributions. (Note: Plan Access cannot be used to conduct financial transactions).



Reporting:

Generate secure custom reports from over 50 standard query options, like participant count, participant balances and addresses, active loans, investments by fund, contribution summaries, and balances for terminated participants.

Isn't it time you got connected with Sponsor Connect?

If you want to learn more, go to the **Administrator Log-In** page of **www.abaretirement.com** for additional information.

You can also call the Plan Administrator Line at **(800) 752-6313** or e-mail us at **contactus@abaretirement.com** to start the discussion now. A Plan Services Representative will give you more details on how to get authorized to obtain a User ID and password, and how to get started with our easy step-by-step user manual.

Administrator Spotlight

A conversation with...

Cheri Steinmetz
Jardine, Stephenson, Blewett & Weaver P.C.
Great Falls, Montana
Program member since 1984

How has Payroll/Administration made your job easier?

"Using Payroll/Administration is nice because I can input my information the same day I do payroll, which is the day before payday. I can then go in on payday and submit it and know that it is done. I do not have the lag or wait time of mailing a check to ABA Retirement Funds. I also do not have the hassle of cutting a check, obtaining a signature and mailing it to the ABA Retirement Funds. Once the payment is submitted, I have [electronic] confirmation that it has been paid/received."

How much time does it save you? Has it cut down on your 'not in good order' items?

"Using Payroll/Administration probably saves me on average about a half-hour each week."

How easy was it for you to learn?

"It was fairly easy to learn the basics. The more I used it, the easier and quicker it has become. Being able to call the Program with questions is nice."

If given the chance, would you ever go back to submitting paper forms?

"No, I like the convenience of submitting payments online. It is really quick now that I have gotten the hang of it. It is at least four less checks I have to write every month."

What's the best thing about using Payroll/Administration?

"It saves me time, I can double check my numbers against my spreadsheet. Also, I noticed when I received my census information this year, the most current numbers were already in. In previous years, my total contributions were always missing the last/end of year contribution so I would have to add it in to each one. Now, because I used Payroll/Administration, my last contribution is already added in. This saved me probably an hour of work."

Don't Forget: RMDs are Back in 2010

For certain plan participants who turn 70½ or older in 2010, the plan must make the required minimum distribution (RMD) for their tax-deferred retirement savings account, or the participants pay a 50% penalty on the amount they should have received.

The Worker, Retiree and Employer Recovery Act (WRERA) suspended the RMD in 2009 to help older investors shore up their retirement savings due to the stock market downturn. That suspension has not been extended for 2010, and RMDs for 2010 are calculated as if the suspension did not occur. However, for participants who attain 70½ in 2010, the first RMD is not payable until April 1, 2011.

Participants age 70½ or older who still work are not subject to RMDs until they retire, unless they own 5% or more of the firm. If the participant was a 5% owner at the time the RMD payments began, those must continue, even if the ownership stake has been reduced.

Why Your Plan Name May Appear Differently

We get many questions about how the Program displays the plan name of individual firms, because the name of a plan shown on a statement or other documentation sometimes does not exactly correspond with a firm or entity's legal name. This is due to system character limitations and naming conventions.

A Plan name is limited to 30 characters per line, with a maximum of two lines. This can often cause a firm's name to be truncated in print. However, please be assured that the IRS and DOL rely primarily on the EIN to identify a firm.

The Program's database is designed so that should you call us with inquiries, we can search either by your six-digit Program Plan number or a root last name.

For example:

- In the case of a sole proprietor, the plan name will be displayed on documents as Last Name, First Name.
- In the case of a corporation or partnership, the name is displayed on a hierarchy of information based on the last name, with secondary identifiers at the end. **For example**, the Law Offices of Anne Q. Smith, P.A. would display as **Smith, P.A., Anne Q., Law Offices of.**

With 4,000 employer plans in the Program's database, a search by name can only be done in this manner.

When contacting us, it is always helpful if you note your six-digit Program Plan Number, which is displayed on all the material we send to you.

How "Green" is your Plan?

Even though the internet is indispensable, retirement plans still generate a lot of paper, from statements to prospectuses. If reducing paper waste is a concern for you and your participants, take advantage of the resources we have on the Program Web site to be environmentally responsible or even just clear out needless clutter. Do some spring cleaning!

Quarterly newsletters:

The *Plan Administrator Bulletin* and *Perspectives* are both available online to allow you to access back issues for important information. And, *online Perspectives* offers additional content and resources to your participants beyond the printed version. Access it at **www.abaretirement.com/perspectives**.

Enrollment materials and forms:

Outdated kits and forms can cause problems or delays in enrolling new participants or administering to the needs of current ones. If you have extra kits or materials stored away, make sure you are using the most current materials by checking the Program Web site under "**Literature**." We're constantly updating our documents. (Don't forget to recycle ones you can't use!) If you need more, just download the materials from the Web site or give us a call.

Confirmations, changes, and statements:

Participants can opt out of printed statements and confirmation notices and elect to receive them in their online mailbox. Each time correspondence is added, participants will receive an e-mail letting them know it's there. They just need to log on to their account and access **Mail Delivery Preferences** to elect which items they want to receive electronically, and update their e-mail address.

If you have extra kits or materials stored away, make sure you are using the most current materials by checking the Program Web site under "**Literature**." We're constantly updating our documents.

E-File your Form 5500 for the 2009 Plan Year by July 31

Don't forget: your Form 5500 is due to the Department of Labor by July 31, 2010 unless your firm has extended the Form 5500 due date by either filing for an extension of your employer tax return or filing Form 5558. As of 2009, the DOL requires electronic filing of Form 5500. For more information about this, please refer to the Winter 2010 issue of *Plan Administrator Bulletin*. You can find it online at **www.abaretirement.com**.

If you extend the due date for filing your federal tax return, you will get an automatic extension for filing the Form 5500 to such date.

To extend the due date for your Form 5500 filing until October 15, 2010, you must complete and mail Form 5558 ensuring it is postmarked by **July 31, 2010**.

To obtain your e-filing credentials you may either:

- Go to ***eFile*** on the Program's Web site

OR

- Go to **www.dol.gov** for IREG
  - Enter and submit your personal information
  - Use the link, User ID and PIN in the registration e-mail you will receive within a few minutes
  - Register at **www.efast.dol.gov**

Please note that only one set of filing credentials can be issued per e-mail address.

Important Dates this Quarter

Here are some key dates for your Plan* over the next quarter. Review your 2010 Calendar to refer to your responsibilities (quarterly) for the full year.

☐ **April 15** — Last day for partnerships and sole proprietors (including LLCs) to send your firm's 2009 employer contributions.

Important: If you extend your income tax return due date, you have until October 15 (for sole proprietors), or September 15 (for partnerships).

☐ **April 30** — Last day to amend your plan to comply with EGTRRA.

☐ **June 30** —

- Last day for 401(k) plans with non-safe harbor designs and automatic enrollment to refund excess contributions and excess aggregate contributions (or incur a 10% excise tax of refund amount.) Please submit paperwork by **June 23** to allow time for processing.

  Important: This deadline applies only if the non-safe harbor design has an eligible automatic contribution agreement (EACA) auto-enrollment feature.

- Last day for 401(k) plans to notify the Program of any necessary refunds by completing Form 14: Corrective Measures for Contributions.

☐ **July 29** — Last day to send a revised SPD or SMM to participants if there was a change to your firm's plan in 2009.

☐ **July 31** —

- Gather mid-year census and nondiscrimination testing information for 401(k) plans.
- efile Form 5500.

*If you have a fiscal year plan that ends on a date other than 12/31, you have special rules to follow. Please refer to the online Plan Administrator's Guide at **www.abaretirement.com/ePAG**.

FYI: REMAINING 2010 STOCK MARKET HOLIDAYS

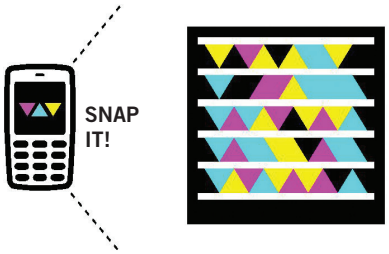
Memorial Day	**May 31**
Independence Day (observed)	**July 5**
Labor Day	**September 6**
Thanksgiving	**November 25**
Christmas (observed)	**December 24**

In the Spring Issue of *Perspectives*...

We're encouraging your participants to think "active-ly" about their retirement. From the Program's actively managed funds, to pointing out the enhanced resources available to them, to discussing how consolidating assets can help them target their goals, this issue gives them items to consider and act upon.

Don't forget this issue of *Perspectives* is online; as are a number of previous ones, too. You and your participants can access the archives at **www.abaretirement.com/perspectives.**

You can also access online *Perspectives* (current and past issues) through your mobile phone!



It's incredibly easy. Just download the free application at **http://gettag.mobi.** Then simply scan your phone's camera over this colorful bar code to launch the online version.

Note: standard data plan rates apply based on your carrier's contract.

Effective Now:

CHANGE OF CONTRIBUTION PAYEE ON CHECKS

As you may know, the transition to a new Plan Trustee, Northern Trust, is expected to occur on or about July 1, 2010. To help us efficiently process your contributions, loan payments and rollover contributions, please make your checks payable to ABA Retirement Funds Program, starting immediately.

Our 2009 Report Card on the Way

Our Report Card is the Program's way of remaining accountable to you and your plan. It's your annual summary of what service standards and goals the Program accomplished in 2009. Going forward, this annual report card will be a yearly check-in for you to perform your own evaluations in your role as Plan Administrator. If you have questions about the content of the Report Card, please call the Plan Administrator Line.

WHO'S WATCHING YOUR FIRM'S 401(k)?
Is your firm's 401(k) subject to quarterly reviews by an independent board of directors?
Does it include professional investment fiduciary services?
Is your firm's 401(k) subject to 23 contracted service standards?
Does it have an investment menu with passive and active investment strategies?
Is your firm's 401(k) sponsor a not-for-profit whose purpose is to deliver a member benefit?
Does it feature no out-of-pocket fees to your firm?
Is your firm's 401(k) part of the member benefit package of 33 state and national bar associations?
If you answered no to any of these questions, contact the ABA Retirement Funds to learn how to keep a close watch over your 401(k).
ABA Retirement Funds
Unique 401(k) Plans for Law Firms
Member Advantage

Coming Soon!

This year you will start seeing a series of "Lifeguard" Ads in your local state bar association publications. These Lifeguard Ads are symbolic of the vigilance we believe all retirement plan providers should maintain for their participants and the fiduciary oversight offered by the Program. These ads will highlight the differences between the ABA Retirement Fund Program and its competitors.

Contact Us

ABA Retirement Funds™

E-mail us at **contactus@abaretirement.com**

Call the Plan Administrator Line at **(800) 752-6313**. Plan Services Representatives are available Monday through Friday, 8 a.m. – 8 p.m. ET

Write to us at **ABA Retirement Funds • P.O. Box 5142 • Boston, MA • 02206-5142**

This newsletter is intended for information purposes only. Your firm's plan is governed by specific plan documents. If there is any discrepancy between this newsletter and your plan document, the plan document will govern in all cases. The information in the Plan Administrator Bulletin is believed to be reliable. However, this newsletter is distributed with the understanding that the publisher and contributors are not engaged herein in rendering legal, tax, accounting, investment management or other professional advice.

The American Bar Association Members/State Street Collective Trust (the "Collective Trust") has filed a registration statement (including the prospectus therein (the "Prospectus")) with the Securities and Exchange Commission for the offering of Units representing pro rata beneficial interests in the collective investment funds established under the Collective Trust. The Collective Trust is a retirement program sponsored by the ABA Retirement Funds in which lawyers and law firms who are members or associates of the American Bar Association, most state and local bar associations and their employees and employees of certain organizations related to the practice of law are eligible to participate. Copies of the Prospectus may be obtained by calling (800) 752-6313, by visiting the Web site of the American Bar Association Retirement Funds Program at www.abaretirement.com or by writing to ABA Retirement Funds, P.O. Box 5142, Boston, MA 02206-5142. This communication shall not constitute an offer to sell or the solicitation of an offer to buy, or a request of the recipient to indicate an interest in, Units of the Collective Trust, and is not a recommendation with respect to any of the collective investment funds established under the Collective Trust. Nor shall there be any sale of the Units of the Collective Trust in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or other jurisdiction.